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SUBJECT: CRICKET CONCERNS: GOI'S PROPOSED SATELLITE TV
POLICIES

REF: NEW DELHI 6655

1. (SBU) Summary: Minister of Information and Broadcasting Jaipal Reddy told A/DCM on September 2 that US broadcasters' concern on proposed new GOI restrictions on satellite uplink policies (reftel) was misplaced, as New Delhi's only interest was in ensuring that India's rural poor would have access to high-interest cricket matches. The final policy will likely be more liberal than the "maximalist" position adopted for negotiating purposes, Reddy reported. Companies that have existing satellite uplink contracts outside of India would be allowed to keep those contracts, provided they register a local firm in India to represent them. End Summary.

Cricket Rights: "It Won't Hurt Anyone"

2. (SBU) Acting DCM used a September 2 meeting with I and B Minister Jaipal Reddy to double track the Ambassador's message to Defense Minister Mukherjee (reftel) regarding the potentially adverse impact of India's proposed satellite uplink rule. Noting that India accounts for 80% of cricket-related advertising revenues worldwide, Reddy explained the GOI's concern that the 50 million television households in India without cable be able to watch high-interest international cricket matches. This issue came to a head during the 2004 Indo-Pak cricket series, leading to a Supreme Court ruling to force free-to-air transmission. The new rule is intended to regularize this 2004 judgment. Reddy (protect) stated that the proposed compulsory feed-sharing with national broadcaster Doordarshan (DD) would occur only for "sports of national interest" as occurs in the UK and Australia, and would involve a process of consultation involving the rights holders, to include a formula under which DD would "pay back" the rights owners. "We'll devise a formula not to hurt anyone," he commented, adding that the "maximalist" position in the note sent by his ministry to broadcasters was intended to set an outer limit for discussion, not indicate the final policy.

Satellite Uplink: Existing Outside Feeds OK

3. (SBU) Reddy explained that broadcasters with existing long-term contracts for satellite uplink facilities outside of India would not be forced to switch to an Indian uplink facility. However, all firms broadcasting into India would be required to register a business entity in India, and thereby be accountable to Indian laws. Although the pending proposal introduced by the previous NDA government requires Indian uplink facilities, Reddy does not intend to keep that requirement. In some regards, the new regime would be less restrictive than current rules, Reddy stated, pointing out that foreign news broadcasters would no longer need to apply for licenses to cover specific events, but would be able to receive annual permission to transmit from India, provided they send the feed through a designated "teleport."

Comment: GOI Policy a Promising Step

4. (SBU) Foreign broadcasters in India -- including ESPN, Discovery, and Star -- have kept Embassy updated on their concerns over the threat of being forced to allow uncompensated audience access to programming such as popular cricket matches, for which rights they have paid dearly. Minister Reddy's assurances of consultations involving the rights holders and a formula to assure adequate payback are encouraging. Also notable is his strong focus on cricket, to the exclusion of most other sporting events. For now we expect the GOI will follow through in a manner fair and acceptable to the rights-holding broadcasters.

5. (U) Visit New Delhi's Classified Website:
(<http://www.state.sgov/p/sa/newdelhi>)
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